

City of Mankato

Community Development Block Grant Program

2013-2014 Action Plan

A. HUD Standard Form 424 - Attached

B. Executive Summary

Objectives and Outcomes

The objectives of the Community Development Block Grant (CDBG) Program have been developed to address the needs identified in the citizen participation process and the *City of Mankato Consolidated Plan*. For the 2013 Action Plan, the City of Mankato has identified six objectives which are highlighted below.

Objective 1: Owner Housing

Outcome: Increase the availability/accessibility to decent housing by providing owner occupied housing rehabilitation funds for three housing units.

Objective 2: Special Needs

Outcome: Increase availability/accessibility to a suitable living environment by providing public services funding for services that will assist 100 low to moderate income persons.

Objective 3: Community Development

Outcome: Increase availability/accessibility to a suitable living environment by providing funding for clearance of two buildings to allow for construction of low to moderate income housing.

Objective 4: Economic Development

Outcome: Sustainability of economic opportunity by providing commercial rehabilitation funds for two commercial buildings.

Objective 5: Rental Housing

Outcome: Increase the availability/accessibility to decent housing by providing rental housing rehabilitation funds for five rental units.

Objective 6: Homeless

Outcome: Increase availability/accessibility to a suitable living environment by providing capital funding to a local nonprofit organization to assist with expanding their existing homeless shelter facility.

Evaluation of Past Performance

Over the past three years, the City of Mankato has utilized CDBG funds to conduct rehabilitation in 15 owner-occupied homes for low to moderate income families. CDBG funds have also assisted with the rehabilitation of eight substandard commercial buildings in order to address slum and blight conditions. The City has marketed the rental rehabilitation program and anticipates completing rehabilitation of seven units of rental housing that are occupied by low to moderate income residents by the end of the 2012 program year. Additionally, the City was able to assist four nonprofit organizations with public service grants. With these public service grants, the organizations were able to provide free and reduced cost medical care to 75 low income citizens, provide chore services to 70 senior citizens, provide food to 175 low to moderate income households and provide 667 food packs to send home to low to moderate income children.

City staff feels confident that two objectives that were not met in the past three years will be accomplished in the 2013 program year. These objectives include slum and blight removal and increasing the number of homeless shelter beds. Plans to achieve these items are addressed within this Action Plan.

For more detailed information on past performance, the 2012 Consolidated Annual Performance and Evaluation Report (CAPER) is available on the City's website.

Citizen Participation and Consultation Process

A draft of the 2013 Action Plan was made available on the City's website and copies were also available for review at the Intergovernmental Center, located at 10 Civic Center Plaza, PO Box 3368, Mankato, MN 56002-3368 during the office hours of 8:00 a.m. to 4:30 p.m. A public hearing for the 2013 Action Plan was held on April 8, 2013. A 30-day public comment period occurred from April 8, 2013 until May 7, 2013. Notice of the public hearing and public comment period was published in the Mankato Free Press on March 23, 2013. The City Council agendas were also published online on the City's website. Notices of public hearings are sufficiently detailed for citizens to identify the content of the hearing and the types of programs or services eligible for CDBG funding. Records will be kept available for a minimum of five years prior to their being placed in file storage for closed projects or closed program years. A chart for current income limits to determine whether a household is low to moderate income is attached as Appendix A.

In January and February of 2013, staff contacted the local homeless shelter providers to discuss ongoing needs and capacity for expansion. City staff also spoke with public service providers, Habitat for Humanity and the Minnesota Council of Churches, a non-profit organization that provides housing and employment services to refugees in the Mankato area, to discuss ongoing needs.

City staff utilized the City of Mankato 2010-2014 Consolidated Plan to guide the goals of the 2013 Action Plan. The first step taken in creating the 2010-2014 Consolidated Plan was the implementation of the Citizen Participation Plan. The City of Mankato developed and followed the detailed plan which provides for, and encourages, citizen participation and which emphasizes participation by persons of low or moderate income, particularly residents of predominantly low and moderate income neighborhoods, slum or blighted areas, and areas in which the grantee proposes to use CDBG funds.

Comments Received

No comments were received during the public hearing or the 30-day public comment period.

C. Resources

The City of Mankato does expect a number of federal, state and local resources to serve as matching funds toward our planned activities. Matching funds for owner occupied and rental rehabilitation projects may come from sources such as Weatherization, Minnesota Housing Finance Agency, Greater Minnesota Housing Fund, City of Mankato Neighborhood Improvement Funds and private funds. The owner occupied rehabilitation projects require a 20% match for households that are of moderate income. In the past, about 20% of the owner occupied rehabilitation projects funded with CDBG money were required to pay the match. The rental rehabilitation program requires a 50% match for all property owners, as does the commercial rehabilitation program. The match for the commercial rehabilitation program typically comes from either City of Mankato Storefront Improvement Funds or private funds.

Lead abatement funds have been exhausted so that leverage source is no longer available, however, City Staff submitted a Lead-Based Paint Hazard Control Program grant application to HUD in February of 2013. It is anticipated that the outcome of the grant request will be known in August of 2013. If awarded, these funds will address lead-based paint issues and will help to alleviate those expenses that come up during owner-occupied and rental rehabilitation projects.

In an effort to create a suitable living environment for low to moderate income households, the Mankato EDA continues to improve public housing units through HUD capital improvement funds. The needs of the public housing program will be continually monitored in the future.

Housing Choice Voucher funding will continue to be critical for Mankato in providing affordable housing. As the market analysis indicates, very low income households are a critical need in the community and public housing and Housing Choice Vouchers are vital to providing affordable housing based on 30% of their income. The resources are not available to create any additional

public housing units so therefore it is critical that the existing resources continue to be available and utilized based on the need.

The community does have a number of multifamily developments financed through Low Income Housing Tax Credits that provide an affordable housing resource. Through support and partnership with the City of Mankato, the Southwest Minnesota Housing Partnership received an allocation of Low Income Housing tax Credits (LIHTC) to develop a 60 unit building of affordable housing in the Sibley Park redevelopment area. The City contributed to the success of this development by providing tax increment financing, a low-interest loan, and a commitment to administer Shelter plus Care vouchers to four long-term homeless families. Construction of the building was completed in late 2012 and the building opened in January of 2013. This development of affordable rental units is outlined in the five year plan. The City of Mankato will continue this effort into the coming year by providing support to additional developers of low income tax credit housing.

A number of local entities also receive McKinney-Vento Homeless funds which have strengthened local programs to provide housing and services for homeless families and individuals. The Mankato EDA receives 8 Shelter plus Care vouchers Project Based at Cherry Ridge Apartments to serve homeless families and chronically homeless singles, as well as five Veterans Affairs Supportive Housing (VASH) vouchers to be utilized in the community. Blue Earth County Human Services also administers a tenant based Shelter plus Care Program. Rivertown Homes, which is eight units of permanent supportive housing operated by Partners for Affordable housing also receives funding. Maxfield Place is operated by the Salvation Army and contains 10 units of permanent supportive housing with seven dedicated to the chronically homeless. The Minnesota Assistance Council for Veterans receives funding for the Paul and Dorothy Radichel Veteran Town Homes. This is 11 units of permanent supportive housing. Hearth Connection also receives McKinney Vento funds for a permanent supportive housing project. The Minnesota Valley Action Council receives supportive services funding to operate the RHASP program. The Blue Earth County EDA administers six units of Bridges funding, a subsidy that houses mentally ill citizens waiting for Housing Choice Voucher assistance. Finally, there has also been funds directed towards HMIS which provides benefits to all participating providers using the system.

NSP funding in Minnesota primarily went to the Minneapolis/St. Paul metropolitan area and some surrounding communities. Mankato was not a priority area for the funding and therefore was not able to access NSP funds.

Additional funding through the Workforce Investment Act has provided a critical resource during the current economy. The local Workforce Center has been able to serve a number of additional unemployed, lower-skilled and low income individuals with the funding to increase their skills and wages. The following describes some of their efforts:

- Provided a summer employment program for youth and worked with them on career planning.
- Worked with an increased number of adults and dislocated workers to conduct training that would build job skills.
- Offered job search services.
- Provided funding to offer on the job training for low skilled workers that were matched with employers.
- Offered a teen parent project for those on public assistance to get them work experience and do career planning.

Because program income for the City of Mankato is generated based on the repayment of deferred and forgivable loans and occurs unexpectedly and on an inconsistent basis, Staff are not counting on program income as a resource. Should the city receive program income during the year, the funds will be directed toward a CDBG eligible project.

It should be noted that funding amounts are estimates and may change pending success of recipients to secure other funding sources. It is hopeful that leverage amounts will be higher than projected but these are conservative estimates based on the current economic climate. Private foundations and state funding resources have been declining, making it more challenging to leverage additional resources.

The total recommended investment available for the FY 2013 Action Plans are listed below.

FY 2013 Action Plan Summary		
Funding Source	Amount	% of Total
CDBG	\$320,062	70%
Program Income	\$0	0%
Other	\$137,169	30%
Total	\$457,231	100%

Based on the variety of leverage sources, it is estimated that approximately 30% of funding for the efforts will come from other sources and 70% from CDBG funding. No additional program income has been received.

Annual Objectives

Table 3A: Summary of Specific Annual Objectives

Decent Housing with Purpose of New or Improved Availability/Accessibility (DH-1)							
Specific Objective		Source of Funds	Year	Performance Indicators	Expected Number	Actual Number	Percent Completed
DH1.1	Owner Occupied Rehab	CDBG CDBG NIF	2010	Units	8	10	100%
			2011	Units	6	5	83 %
			2012	Units	6	2	33%
			2013	Units	6		%
			2014	Units	4		%
		MULTI-YEAR GOAL		30	17	56%	
Decent Housing with Purpose of New or Improved Affordability (DH-2)							
DH2.1	Multi-Unit Residential Rehab	CDBG	2010		0		%
			2011	Units	2	0	0%
			2012	Units	1	0	0%
			2013	Units	1		%
			2014	Units	1		%
		MULTI-YEAR GOAL		5		0%	
Decent Housing with Purpose of New or Improved Sustainability (DH-3)							
DH3.1	Development of Affordable Housing	LIHTC	2010		0		%
			2011	Units	40	0	0%
			2012		0	60	100%
			2013		0		%
			2014		0		%
		MULTI-YEAR GOAL		40	60	100 %	
Suitable Living Environment with Purpose of New or Improved Availability/Accessibility (SL-1)							
SL1.1	Non Profit Capacity Building	CDBG	2010	Facility	1	0	0%
			2011	Facility	1	1	100 %
			2012				%
			2013				%
			2014				%
		MULTI-YEAR GOAL		1	1	100%	
SL1.1	Homeless Facilities	CDBG	2010	Beds	15	0	0%
			2011				%
			2012				%
			2013				%
			2014				%
		MULTI-YEAR GOAL		15		0%	
SL1.1	Public Services/LMI Household	CDBG CDBG	2010	People	100	1395	100%
			2011	People	100	1164	100%
			2012	People	100	987	100%
			2013	People	100		%
			2014	People	100		%
		MULTI-YEAR GOAL		500	3,546	100%	

SL1.1	Slum and Blight Removal	CDBG CDBG CDBG	2010	Building	1	0	0%
			2011	Building	1	0	0%
			2012	Building	1	0	0%
			2013				%
			2014				%
		MULTI-YEAR GOAL			3		0 %
Suitable Living Environment with Purpose of New or Improved Affordability (SL-2)							
SL2.1			2010				%
			2011				%
			2012				%
			2013				%
			2014				%
		MULTI-YEAR GOAL					%
Suitable Living Environment with Purpose of New or Improved Sustainability (SL-3)							
SL3.1			2010				%
			2011				%
			2012				%
			2013				%
			2014				%
		MULTI-YEAR GOAL					%

Economic Opportunity with Purpose of New or Improved Availability/Accessibility (EO-1)									
Specific Objective		Source of Funds	Year	Performance Indicators	Expected Number	Actual Number	Percent Completed		
EO1.1			2005				%		
			2006				%		
			2007				%		
			2008				%		
			2009				%		
			MULTI-YEAR GOAL					%	
Economic Opportunity with Purpose of New or Improved Affordability (EO-2)									
EO2.1	Economic Development Assistance to For-Profits	EDA Levy	2010			2	0	%	
			2011					%	
			2012					Businesses	%
			2013					Businesses	%
			2014					Businesses	%
			MULTI-YEAR GOAL			5	0	0%	
Economic Opportunity with Purpose of New or Improved Sustainability (EO-3)									
EO3.1	Commercial Rehabilitation	CDBG/ EDA Levy	2010	Buildings	6	7	100%		
			2011	Buildings	4	5	100%		
			2012	Buildings	4	4	100%		
			2013	Buildings	4		%		
			2014	Buildings	2		%		
			MULTI-YEAR GOAL			20	16	80%	
Neighborhood Revitalization (NR-1)									
NR1.1	Park Facilities		2010				%		
			2011				%		
			2012				%		
			2013				Park	1	%
			2014				Park	1	%

			MULTI-YEAR GOAL		2		0 %
Other (O-1)							
O 1.1			2005				%
			2006				%
			2007				%
			2008				%
			2009				%
			MULTI-YEAR GOAL				%
Other (O-2)							
O 2.1			2005				%
			2006				%
			2007				%
			2008				%
			2009				%
			MULTI-YEAR GOAL				%

***Outcome/Objective Codes**

	Availability/Accessibility	Affordability	Sustainability
Decent Housing	DH-1	DH-2	DH-3
Suitable Living Environment	SL-1	SL-2	SL-3
Economic Opportunity	EO-1	EO-2	EO-3

D. Activities

The attached Tables 3C provide a summary of the eligible programs or activities that will take place during the program year to address the priority needs and specific objectives identified in the strategic plan.

The City of Mankato anticipates receiving \$320,062 in CDBG funding for the 2013 program year. About 53% of the funding will be spent on rehabilitation projects, including three owner occupied homes (\$60,000), five rental units (\$60,000) and two commercial properties (\$50,000). The amount of funding toward rehabilitation projects is reduced from years past, in part because of a reduced appropriation, but also because during the 2013 program year, the City intends to spend \$75,000 to partner with the Salvation Army to rehabilitate a portion of their building to expand their homeless shelter to serve women. The rehabilitation will add 23 shelter beds to the Mankato community. This has been a long-identified need that will be addressed this year with a one-time expenditure. Next year, the City can return to a more typical spending plan. The City does intend to spend the maximum 15% on public services

toward VINE Faith in Action (\$33,500), Open Door Health Center (\$6,000), ECHO Food Shelf (\$6,000) and the Backpack Food Program (\$2,500). The City also intends to fund \$15,000 toward the demolition of deteriorated homes to allow for the construction of new homes for low to moderate income households. This money will be paired with \$25,000 in unspent demolition money from the 2012 program year and the City plans to partner with Habitat for Humanity to achieve this goal. Finally, \$12,062 in funds will be directed toward administrative costs. This reflects a significant decrease from years past and is far lower than the City's administrative costs for one year, however, the City currently has a large amount of funding for administration from the past three years and will utilize the older funds for administrative needs for the 2013 program year. This allows the City of Mankato to continue to meet the identified needs in the community, specifically the one-time expenditure for the homeless shelter, even while facing funding reductions. It is anticipated that the amount for administration will return to normal levels for next year's Action Plan.

If more or less funding is received than the expected \$320,062, each funding category will increase or decrease to reflect the actual amount received. The percentages spent for each activity will remain the same and the amount will be adjusted to show the change.

The only major obstacle to meeting underserved needs is the lack of funding. The City of Mankato's housing, community development and economic development needs surpass the public, private and non-profit funds that are available and are projected to be available in the future. With regard to the specific activities that are proposed to be funded with CDBG funds, the only obstacle anticipated is the potential cost associated with the rehabilitation for the Salvation Army homeless shelter. Cost estimates are currently being sought and if costs come in higher than the \$75,000 set aside for this activity, additional funding sources will need to be found. For the remaining activities in the 2013 Action Plan, no issues have been identified which will prevent the City of Mankato from undertaking these activities and achieving its goals.

E. Outcome Measures

The attached Tables 3C identify the outcome measures.

F. Geographic Distribution

Owner occupied housing rehabilitation will be undertaken in the Lincoln Park, Washington Park, Sibley Park, Germania Park, Tourtellotte Park and Hilltop Neighborhoods, as shown on the map in Appendix B.

The six neighborhoods selected for owner occupied rehabilitation were based on the following:

- There are a significant number of substandard owner occupied homes in the six neighborhoods and these neighborhoods have been identified as having the highest

need for housing rehabilitation. A high percentage of these homes are occupied by low/moderate income households.

- A significant percentage of single family homes in the six neighborhoods have lead base paint issues and the occupying households have children under the age of six.
- Many homes in the neighborhoods have historical and/or architectural significance.

Commercial rehabilitation will be undertaken in the targeted area as identified on the map in Appendix B, or other areas that can document a need. The targeted areas were selected for commercial rehabilitation and slum and blight removal based on the following:

- The areas have a substantial number of substandard commercial buildings and some dilapidated commercial buildings.
- Many commercial buildings in the area are over 75 years old.
- The buildings in the area were evaluated and it was determined that the area meets the definition of “Slum and Blight.” The City Council formally designated the area a “Slum and Blight” area on April 8, 2013.

Rental rehabilitation will first be targeted toward the mixed use buildings within the commercial rehabilitation targeted areas and then at rental properties within the residential targeted areas. A need for the rehabilitation of mixed use buildings in the downtown has been identified by city staff during rental inspections and these same areas are targeted for the reasons listed above.

Clearance of blighted properties to allow for the construction of housing for low to moderate income persons and to eliminate blight will occur in the residential and commercial targeted areas, as these neighborhoods have been evaluated and have been found to have the largest number of deteriorated buildings.

For the 2013 program year, approximately 58% of the CDBG funds will be spent within one of the targeted areas, as these areas have the oldest buildings, have been identified as having the highest need and have a high percentage of low to moderate income households.

G. Affordable Housing

Annual Affordable Housing Goals

Table 3B: Annual Affordable Housing Completion Goals

Grantee Name: City of Mankato Program Year: 2013	Expected Annual Number of Units To Be Completed	Actual Annual Number of Units Completed	Resources used during the period			
			CDBG	HOME	ESG	HOPWA
BENEFICIARY GOALS (Non-Sec. 215)						
Homeless households			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Non-homeless households	8		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Special needs households			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Total Beneficiaries*	8		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
RENTAL GOALS (Non-Sec. 215)						
Acquisition of existing units			<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>
Production of new units			<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>
Rehabilitation of existing units	5		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Rental Assistance			<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>
Total Affordable Rental	5		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
HOME OWNER GOALS (Non-Sec. 215)						
Acquisition of existing units			<input type="checkbox"/>	<input type="checkbox"/>		
Production of new units			<input type="checkbox"/>	<input type="checkbox"/>		
Rehabilitation of existing units	3		<input checked="" type="checkbox"/>	<input type="checkbox"/>		
Homebuyer Assistance			<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>
Total Affordable Owner	3		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
COMBINED RENTAL AND OWNER GOALS (Non-Sec. 215)						
Acquisition of existing units			<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>
Production of new units			<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>
Rehabilitation of existing units	8		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Rental Assistance			<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>
Homebuyer Assistance			<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>
Combined Total Goals*	8		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
OVERALL HOUSING GOALS (Other Affordable Housing)						
Annual Rental Housing Goal	5		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Annual Owner Housing Goal	3		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Total Overall Housing Goal	8		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

H. Public Housing

The FY 2013 Action Plan does not include public housing activities at this time. However, during the upcoming year the Mankato EDA is planning to replace two public housing units that were sold in the past. These units will be built or purchased with funds saved for this purpose; CDBG funds are not required.

The Mankato EDA receives approximately \$220,000 annually for improvements to its public housing units. The Mankato EDA has a Capital Needs Assessment, and plans housing improvements based on this Assessment and to increase accessibility and energy efficiency. The Mankato EDA has recently completed renovation of Orness Plaza, a 101-unit senior and disabled public housing project. The total cost of the renovation was \$9.5 million.

Orness Plaza has a tenant group which plans activities, makes management recommendations to staff, etc. Additionally, the Mankato EDA administers the Family Self-Sufficiency Program which assists households with moving from a public housing units and Housing Choice Vouchers to homeownership. In fact, the EDA is currently assisting 30 home owners to purchase their homes with the assistance of their Housing Choice Vouchers and have assisted 91 families to move to home ownership since 2001. The Mankato EDA has not been designated as “troubled” by HUD and in fact has been designated a “high performance” agency. The Blue Earth County EDA recently completed development of nine public housing units and nine tax credit units in the City of Eagle Lake. These 18 affordable rental units provide housing opportunities for families who were on the public housing waiting list.

During the up-coming year, public housing residents will be encouraged to participate in homeownership activities. The City of Mankato provides homeownership education (Home Stretch), as well as down payment assistance when the funds are available. The City of Mankato always encourages their public housing tenants to provide input and assist with the management of the properties.

I. Homeless and Special Needs Activities

In the 2013 program year, the City of Mankato plans to partner with the Salvation Army to expand their homeless shelter to serve women. The need for additional shelter beds was identified in the 2010-2014 Consolidated Plan and the shelter providers serving Mankato have

confirmed that the need still exists. City staff contacted the various homeless shelter providers and found that the Salvation Army had the capacity to increase the number of shelter beds at their facility. The Salvation Army currently provides 23 beds for homeless men. The City of Mankato plans to work with the Salvation Army to rehabilitate a portion of their existing building to double their capacity and add 23 beds for homeless women.

Currently, Mankato EDA staff participates in the Southeast Continuum of Care and work closely with area Homeless Prevention Program administered by the local CAP agency. Staff administers several programs to eliminate homelessness including the State of MN Bridges Program, eight units of Shelter + Care, five units of Veteran's Administration Supportive Housing (VASH) and four additional units of long-term homeless housing located in the Breckenridge Townhomes. The Mankato EDA also owns and manages three units of Publicly Owned Transitional Housing (POTH) which currently is serving three families who were homeless before moving in. Homeless applicants receive preference on the public housing waiting lists. Staff is working to help design the comprehensive application process to provide access to resources for the homeless. Staff continually looks for the opportunity to apply for additional resources to serve the homeless in our community.

Staff participates in the Veterans Stand-down and the Homeless Connect events, both that provide information for housing resources to the homeless and are held every year.

Supportive housing activities being undertaken to address the priority housing needs of persons who are not homeless are offered at Orness Plaza. Orness Plaza, a public housing residence for 101 senior citizens and disabled people provides a hot meal every day, a visiting nurse service, a foot clinic, structured activities, fitness programs, and planned social events for residents as well as for the surrounding community.

The Mankato EDA will continue efforts to reduce area homelessness by requesting renewed funding for the Bridges and Shelter + Care Programs. The Bridges application has been submitted for two additional years and funding for three additional vouchers has been requested. The goal for the coming year is to serve six homeless people or prevent six people from being homeless with the Bridges funding (nine if funding is provided), serve eight homeless families and individuals with Shelter + Care funding, and serve four Long Term Homeless Families at the Breckenridge Townhomes. To continue these efforts staff will partner with Blue Earth County homeless support staff, Blue Earth County mental health staff, Veteran's Administration social service staff, and the staff of the Committee Against Domestic Abuse (CADA) to fill these units and to support the residents. Staff also works with the Salvation Army staff to refer homeless folks to housing resources, and now to help expand the homeless shelter.

The Mankato EDA is aware of the need for additional emergency shelter space in our area. Staff is excited to be able to work with the Salvation Army to expand the number of homeless people served with this resource in the upcoming funding year.

Staff of the Mankato EDA works closely with the social service staff that provides the supportive services to our homeless families to prevent further homelessness, to encourage lease compliance, and to move these families to employment and self-sufficiency. Once these families are stable and employed, homeownership education is offered to help them move forward toward the goal of homeownership. Although EDA staff does not provide direct social services, we meet regularly with social service staff and communicate when needed to avoid evictions from stable affordable housing resources.

Through the EDA intake process we often see families at risk of homelessness, and individuals being discharged from a variety of health care and other institutions. When identified, these families and individuals are referred to the Homeless Prevention Program offered through the local CAP agency, and to Blue Earth County Human Services Housing Support Staff, youth are referred to the Lutheran Social Service homeless youth services . People are also referred to area services that may be helpful such as Blue Earth County for emergency assistance and hotel vouchers, the Salvation Army or the Welcome Inn for shelter beds, or the Echo Food Shelf for nourishment, as well as to the public housing program and other housing providers in the area.

J. Barriers to Affordable Housing

The following actions will take place during the next year to remove barriers to affordable housing.

- Support efforts to provide funding for owner occupied housing rehabilitation which will include energy efficiency improvements that help reduce utility costs for households. It also provides long term stability for their income in that it addresses major health and safety issues that will not result in future expenses that put the household at risk of being able to afford their housing.
- Support efforts to create affordable rental units in Sibley Parkway area as well as other areas of Mankato. The West Riverside Lofts project works to create affordable housing close to local employment and transportation making it more sustainable for the family. The EDA plans to revise the Housing Choice Voucher Action plan to include a Project-Based Voucher Plan for the award of vouchers to the developers of low-income housing tax credit properties.
- Continue to partner with the Achieving Homeownership initiative that works to bridge homeownership gaps among white and diverse households.
- Utilize CDBG funding for public services that will address the barriers identified in the citizen participation process.
- Continue to partner with agencies that provide services to permanent supportive housing units. The Mankato EDA currently has a partnership with Blue Earth County Human Services for Shelter plus Care Vouchers, the Bridges Program, the VASH and

POTH Programs, and the supportive homeless units at Breckenridge Townhomes. The agencies will continue to work to fully utilize this resource.

Fair Housing

The City will undertake numerous steps in the 2013 program year to affirmatively further fair housing. One impediment that exists is language barriers. The City has hired and will continue to employ a member of the housing staff who can serve as an interpreter for residents who speak Arabic or Somali. The translation services have proven invaluable and will continue to be utilized as a means to improve communication with many residents. Another impediment that exists is the lack of housing options for identified populations. One of the ways that the City tries to provide more housing options is by partnering with the Southwest Minnesota Housing Partnership on the Achieving Homeownership Initiative, which works to bridge homeownership gaps among white and diverse households, and with agencies that provide services to permanent supportive housing units, such as Blue Earth County Human Services for Shelter Plus Care vouchers and the BRIDGES program for rental assistance for disabled households. These partnerships will help to provide more housing options for identified populations. The public's perceptions of protected classes can also be an impediment to fair housing. In an effort to address this issue, the City will be conducting training that includes fair housing to rental property owners. Additionally, the City will be working on the Tapestry Project, which is a seven week training program for landlords, tenants, maintenance staff and the community that covers fair housing, among numerous other housing topics. The City will spend approximately \$80,365 next year in their efforts to further fair housing.

K. Other Actions

In conjunction with developing affordable housing, the City seeks to address additional underserved needs to foster and maintain affordable housing such as providing community services to seniors and low to moderate income households to increase and maintain the number of individuals who are able to remain in their current homes and afford housing. Community services may include working with transportation providers, such as the City of Mankato and VINE Faith in Action, to allow for residents of affordable housing to have access to public transportation. Additionally, providing nonprofit capacity building will enable a homeless facility to provide more beds and ultimately serve more clients. The Community Development Department and its partners will work together to achieve these goals. Lastly, in an effort to both reduce the number of poverty-level families in the area and to develop institutional structure and enhance coordination between public and private housing and social service

agencies, the City entered into a Memorandum of Understanding with the Veterans Administration and Blue Earth County Human Services in 2011 to provide social services to long-term homeless families. This agreement will carry forward for the coming year.

L. Program Specific Requirements - CDBG

The City of Mankato receives program income from repayments of previous commercial and owner-occupied rehabilitation loans if those properties are sold during the restriction period. Because these repayments happen sporadically and cannot be anticipated in advance, the City of Mankato did not include program income in the 2013 program year budget. If program income is received, the funds will be documented as program income and will be immediately spent on a CDBG-eligible activity.

The City does not have any Section 108 loan guarantees, surplus funds from an urban renewal settlement, or income from float fund activities.

No urgent need activities have been undertaken.

Approximately 80% of the activities funded in the 2013 program year will benefit low to moderate income persons. The remaining funds are targeted to commercial rehabilitation projects and administration.

Appendix A

Current Blue Earth County Income Limits

	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
Low Income (50%)	\$24,400	\$27,850	\$31,350	\$34,800	\$37,600	\$40,400	\$43,200	\$45,950
Moderate Income (80%)	\$39,000	\$44,600	\$50,150	\$55,700	\$60,200	\$64,650	\$69,100	\$73,550

Median Family Income: \$69,600

Appendix B

Targeted Areas Map

